



NEIGHBORHOOD STAR LOAN/GRANT PROGRAM Application Instructions

Thank you for your interest in the City of Saint Paul's Neighborhood Star Loan and Grant Program. Before you begin, please read the following:

☆ **THE LARGE STAR PROGRAM OFFERS** financing for capital improvement activities in excess of **\$25,000**. Non-profit and public entities are invited to apply for loan and/or grant assistance. A **new Guideline** allows individual for-profit businesses to submit requests in excess of \$25,000 for a loan or a loan/grant combination **provided** the grant portion is equal to or less than the requested loan amount.

☆ **A SUCCESSFUL APPLICATION** for these public dollars will demonstrate a sound public purpose, have a commitment of human and financial resources, and conform to acceptable credit/loan standards.

☆ **YOU ARE ENCOURAGED** to include neighborhood partners & business organizations in the development of your proposed activity. City staff is also available to assist with your proposal.

Applications are due by:
4:00 p.m., Friday, June 1, 2007
Sorry, there will be no exceptions.

☆ **PLEASE SUBMIT TWO (2) COPIES OF THE FOLLOWING:**

- ☐ Completed **Section A**, Pages 1 through 9 and **Section B**, Pages 10 and 11 of the attached STAR Application. Both the individual completing the application form and the organization's chief officer or president need to **sign the first page** where indicated.
- ☐ A reproducible 8½ x 11" map identifying the project location.
- ☐ A photo of your project (if available.)
- ☐ Up to three letters of support from neighborhood or community members.
- ☐ A current list of your officers, principals, and/or board members.
- ☐ Letters of commitment.
- ☐ Program guidelines for all proposals for re-lending/re-granting programs (*Section VI., C*).

☆ **PLEASE SUBMIT ONE (1) COPY OF THE FOLLOWING**

- ☐ All applicable financial information requested in Section B, Page 10.
- ☐ Any additional pertinent documentation.
- ☐ Application fee (*non-refundable*): enclose a **\$100** check payable to: **City of Saint Paul**.

☆ Mail or Deliver to: **Neighborhood STAR Program**

**Dept of Planning and Economic Development
1400 City Hall Annex
25 West Fourth Street
Saint Paul, Minnesota 55102-1622**

Questions should be directed to the city's STAR Staff: Michele Swanson: (651)266-6574, Beth Ulrich: (651)266-6689, or Bob Hammer: (651)266-6693



FY2007 Neighborhood STAR Application

Section A: Proposal & Organization Information

Project Name: _____ Ward* _____ Planning District* _____.

Legal Entity Submitting Request: _____.

Please check organization type(s): Public _____ Non-Profit _____ For Profit _____**

Mailing Address: _____
STREET CITY STATE ZIP

Contact Person For This Request: _____.

Daytime Phone: () _____ Fax #: () _____ E-mail: _____.

Federal Tax I.D. # _____ Proposal Location: _____.

Funding Request:

Grant request \$ _____

Loan request \$ _____ requested interest rate and term: _____

Total STAR Request: \$ _____ (***For-Profit Entities:* a minimum of ½ of your funding request must be in the form of a loan)

Total Match Leveraged: \$ _____ (from page 9)

During the review process, you may be asked to modify the requested terms and/or conditions of your proposal to increase the chances of funding recommendation.

PLEASE NOTE: the following City compliance issues may apply to your proposal:

1. Vendor Outreach Program: Goals apply to all projects receiving city funding (<http://sprccontracts.stpaul.gov>)
2. Little Davis Bacon Requirements: Projects funded with \$10,000 or more of city dollars (www.stpaul.gov/business)
3. Federal Davis Bacon Requirements: Projects funded with \$2,000 or more of federal dollars (www.stpaul.gov/business)
4. Affirmative Action: Entities receiving \$50,000 or more of city funds in a calendar year (www.stpaul.gov/business)
5. Business Subsidy: Receipt of \$25,000 or more of city grant funding (www.deed.state.mn.us/community/subsidies)
6. Living Wage: Entities receiving \$100,000 or more of city funds (www.stpaul.gov/business)

Individual Completing the Application:

Name (please type)	Title	Date	Signature
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Chief Officer or President:

Name (please type)	Title	Date	Signature
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* See www.stpaul.gov/maps/city.pdf for Ward and Planning District information

I. APPLICANT INFORMATION. This section provides the STAR Board, elected officials, and staff with basic information about your organization, and its abilities to carry out a STAR project.

1. Please describe your organization - its history, structure, business, membership, and purpose.

2. What is your status as a legal entity? (i.e. corporation, partnership, nonprofit)

3. Who will be the designated project manager? _____
Describe her/his background, skills and experience in managing similar-type projects.

4. Do you have an adopted\official conflict-of-interest policy? If so, please summarize.

5. If you have received funds from the City in the past five years, please identify below (*Use a separate sheet if necessary*):

[illegible]

II. PROPOSAL INFORMATION:

1. Please provide a description of your project or program in the space provided:

2. Briefly describe, in quantifiable terms, the specific results of this proposal (*i.e.: 10 houses rehabbed in 2 years; 5 jobs created by business expansion; 15,000 sq. ft. Community Center addition.*)

III. NEIGHBORHOOD PLANNING/COMMUNITY SUPPORT: Community involvement is a critical part of the STAR program. In this section you are being asked to identify the participation of neighborhood and community groups in your proposal.

1. Will your project be coordinated or partnered with any other project, program? If yes, please describe:

2. Is this proposal identified as part of an adopted city, neighborhood, or business plan? If yes, please describe:

3. Is there neighborhood\community support for this proposal? YES_____ NO ____.

IV. PUBLIC COST: This section helps define the financial impact of your request on the general public. Please be as accurate as possible:

1. Will this project/program result in an increase, decrease, or no change in the tax base? If yes, please complete the following:

_____ Current property taxes payable per year

_____ Estimated taxes after project is completed

_____ Net change in taxes per year

2. For proposals that remove property from the tax rolls, you'll need to calculate a Payment in Lieu of Taxes (PILOT) that will replace the lost property tax revenue. Suggested minimum is 17% of the total current taxes to help pay for basic safety services to be paid for 20 years or the term of the agreement, whichever is longer. *For example, to determine the tax capacity for a project valued at \$500,000, multiply \$500,000 by .045 (\$22,500), then multiply the \$22,500 x .17 to equal an annual tax of \$3,825.* A PILOT is required if any part of your proposal, including match, involves acquisition costs. **The PILOT is:** _____.

V. PROJECTED JOB CREATION / RETENTION

[] Job Impact [] No Job Impact	Year 1	Year 2	Year 3	Year 4	Year 5
# of New Full-Time Permanent Jobs CREATED Each Year					
# Of Full-Time Permanent Jobs RETAINED Each Year					
#OF FULL-TIME PERMANENT JOBS LOST Each Year					
# of Construction/Temporary Jobs CREATED Each Year					
Average Wage for Full-Time Permanent Workers					

VI. STAR PROJECT / PROGRAM ACTIVITIES: The Neighborhood STAR Program provides funding for a variety of activities. **Please complete only one section (A., B., or C.) relating to your proposal:**

A. Commercial or Residential Development Projects: If you are requesting funds for a commercial or residential development project, please complete the following section:

1. Define the type of public benefit that can be expected. Please place a "1" next to the item you believe is the primary benefit, and a "2" next to the item you select as a secondary benefit:

Support Vitality of Industry	Incr. Women/Minority Businesses	Address Special Housing Needs
Stablize Market Value	Encourage Entrep'ship	Retain Homeowners in the City
Provide Self-Employment Opt's	Generate Private Investment	Maintain Housing Stock
Create Local Business	Support Commercial Activity	Incr. Home Ownership Stock
Retain Local Business	Heritage Preservation	Provide Affordable Housing

2. Before a development proposal may proceed, you must have control of the property. Please indicate the type of site control you have: Deeded Title ___ Purchase Agreement___ Purchase Option___ Existing Lease ___ Lease Agreement ___ Other ___ Comments:

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3. a. Type of development: New Construction _____ Rehabilitation\Expansion _____
- b. Describe the current use of space (number of units, sq. ft., commercial, residential, etc.)
- c. List the proposed use of space (office, retail space, housing units, etc.)
- d. Will the proposal provide the leasing of space? YES ____ NO ____ If yes, please provide:

PROSPECTIVE TENANTS	SQUARE FOOTAGE	RENT PER SQUARE FOOT	IS LEASE SIGNED?

4. Anticipated start date? _____ Completion? _____.
5. If this request is for a new business start-up, **please attach** the business plan.
6. Has a developer, architect, general contractor, and/or leasing and management firm been selected?
Yes _____ No _____ If yes, please identify:
7. Have detailed cost estimates been prepared? Yes ____ No ____ If yes, **please attach**.

PLEASE NOTE: Economic development activities may be subject to both the City's Living Wage and Business Subsidy requirements. The City's Living Wage requirements apply when \$100,000 or more of city funds are used and the project involves economic development or job creation. Business Subsidy regulations will apply if \$25,000 or more of City funds are given to businesses for economic development or job creation activities. Questions on these items should be addressed to: Beth Ulrich, (651)266-6689.

----- **If you completed Section A, you are finished with Item VI. proceed to page 8, Item VII.** -----

B. Public / Private Open-Space Improvement Projects: STAR money has been used to finance important public and private open-space improvements in our community. These include playgrounds, streetscapes, or improvements to various public facilities. **If you are applying to fund** a public or private open-space improvement project, please provide the following:

1. Define the type of public benefit that can be expected. Place a "1" next to the item you believe is the primary benefit, and a "2" next to the item you select as a secondary benefit

<input type="checkbox"/>	Remove Blight/Pollution	<input type="checkbox"/>	Improve Health/Safety/Security	<input type="checkbox"/>	Increase/Maintain Tax Base ► current tax production: ► est'd taxes as built: ► net tax change + or -:
<input type="checkbox"/>	Rehab. Vacant Structure	<input type="checkbox"/>	Public Improvements	<input type="checkbox"/>	
<input type="checkbox"/>	Remove Vacant Structure	<input type="checkbox"/>	Goods & Services Availability	<input type="checkbox"/>	
<input type="checkbox"/>	Heritage Preservation	<input type="checkbox"/>	Maintain Tax Base	<input type="checkbox"/>	

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3. Please list the number of units (houses or businesses) to be assisted: _____.
4. Please summarize how you will select program participants (i.e. income of recipients, requirements for match funds, cash vs. sweat equity.)
5. Describe you and/or your partner's experience and capacity for operating a loan or grant program:
6. How will this program differ from existing City housing or business programs?
7. Will this program coordinate with other City programs? Yes _____ No _____
If yes, please explain:
8. a. Are you planning to provide loans? Yes _____ No _____. Grants? Yes ____ No _____. If yes, what type of terms or conditions will be required? (i.e. will there be a mortgage or lien on sub-grantees' property? Occupancy requirements? Will the loan come due if property is sold or rented?)

b. What kind of loan underwriting criteria do you envision? (i.e. collateral, debt-to-income ratio)

9. Please attach program guidelines.

VII. SOURCES AND USES: Please attach an itemized budget or contractors' estimates where applicable. Itemize use of STAR funds, private match and non-matching funds for the entire project:

CATEGORY	STAR LOAN REQUEST	STAR GRANT REQUEST	MATCHING FUNDS	NON-MATCHING FUNDS*	TOTAL
Acquisition					
Rehabilitation:					
residential					
commercial					
New Construction:					
residential					
commercial					
Public Improvements					
Private Open Space Improvements					
** Direct Project Costs					
*** Other					
TOTALS: (same totals on page 1 and/or page 9)					

Line Item Examples:

Acquisition:

up to 20% of STAR funds may be used to purchase an existing building or property and/or be applied towards soft costs directly associated with a project capital improvements to an existing building

Commercial/Housing Rehabilitation:

New Construction:

additions, new structure

Public Improvements:

streetscape, play equipment, park benches, permanent signs, exterior lighting etc. on public property

Private Open Space Improvements:

playground, community garden etc. on private property

* **List** additional funds being used on this project that do not qualify as matching contributions (i.e. city grants from CDBG, TIF, CIB or the HRA)

Direct Project Costs (Soft Costs) - Up to 20% of STAR funds may be used for soft costs (i.e. architect, engineering, legal and loan fees, closing costs, permits, licenses.) Soft costs do not include marketing, general administration or operating costs. **Please itemize and describe soft costs:

***Other: Please give a **detailed explanation** and specific costs included in this category:

VIII. SOURCE OF MATCHING FUNDS: Matching funds must be *directly* related to the capital improvement proposal. Please refer to the STAR Guidelines for eligible match criteria.

Please Identify Source & Type of Matching Funds	Amount	Date Available	Match Firm?
A. *Estimated volunteer labor/sweat equity:			
B. Estimated in-kind service:			
1			
2			
3			
C. Estimate and name source of cash donations:			
1			
2			
D. Name and amount of anticipated foundation grants:			
1			
2			
3			
E. Amount of loan(s) and name of lender:			
1			
2			
F. Amount and source of private equity:			
1			
2			
3			
G. Amount, source and type of other match:			
1			
2			
3			
TOTAL VALUE OF MATCHING FUNDS**	\$		

* *Sweat equity/volunteer labor is valued at \$10 per hour and may be used for up to 30% of the match.*

** *Same total on pages 1 and 8*

Section B: Financial Information

ORGANIZATION MANAGEMENT Proprietor, partners, officers, directors, governors and all holders of outstanding stock (100% of project ownership must be shown.) Use a separate sheet if necessary.

NAME AND TITLE	COMPLETE ADDRESS	% OWNED

Do you have affiliate and/or subsidiary firms (20% or more ownership in other entities)? If so, please provide the last fiscal year end financial statements for the listed firms.

If your business is a franchise, include a copy of the franchise agreement and the franchiser's FTC disclosure statement.

PLEASE PROVIDE THE FOLLOWING (check if attached or "N/A" if not applicable):

- _____ A current balance sheet and a current operating statement. (Last business quarter)
- _____ Aging of accounts receivable/accounts payable as of the date of the current balance sheet.
- _____ A year-ended balance sheet and profit and loss statement for the previous three years, with accountant's letter, notes and supporting schedules.
- _____ Detailed cash flow projections for 12 months of operation or a projected annualized income statement with assumptions.
- _____ A copy of existing or proposed purchase agreement or lease agreement. (Provide appraisal, if available.)
- _____ If project involves construction, please include specifications and contractors' estimates.
- _____ If project involves the purchase of fixed assets, please include purchase agreements or vendor quotes.
- _____ If a corporation, please provide articles of incorporation and bylaws.
- _____ If a partnership, please provide partnership agreement.
- _____ If LLC, please provide articles of organization.
- _____ Copies of last three years business tax returns.
- _____ Current personal financial statements for partner, officer, owner, and each stockholder with 20% or greater ownership.
- _____ Resumes of principals and key management.

_____ If this project includes bank participation, please provide a bank commitment letter.

I. BANK REFERENCES

BANK	ACCOUNT OFFICER	PHONE

II. TRADE REFERENCES

COMPANY	CONTACT PERSON	PHONE

III. DEBT SCHEDULE

Please list all existing business debts. Date*: _____

Creditor name	Original amount	Original date	Present balance	Interest rate	Maturity date	Monthly payment	Assets secured	Current or delinquent

Total present balance* \$ _____

Total monthly payments* \$ _____

* Should be the same information provided on the current financial statement.

IV. ACCOUNTANT

Name _____

Address _____

Phone/e-mail _____

V. LAWYER

Name _____

Address _____

Phone/e-mail _____

Applications are due by 4:00 p.m., Friday, June 1, 2007